

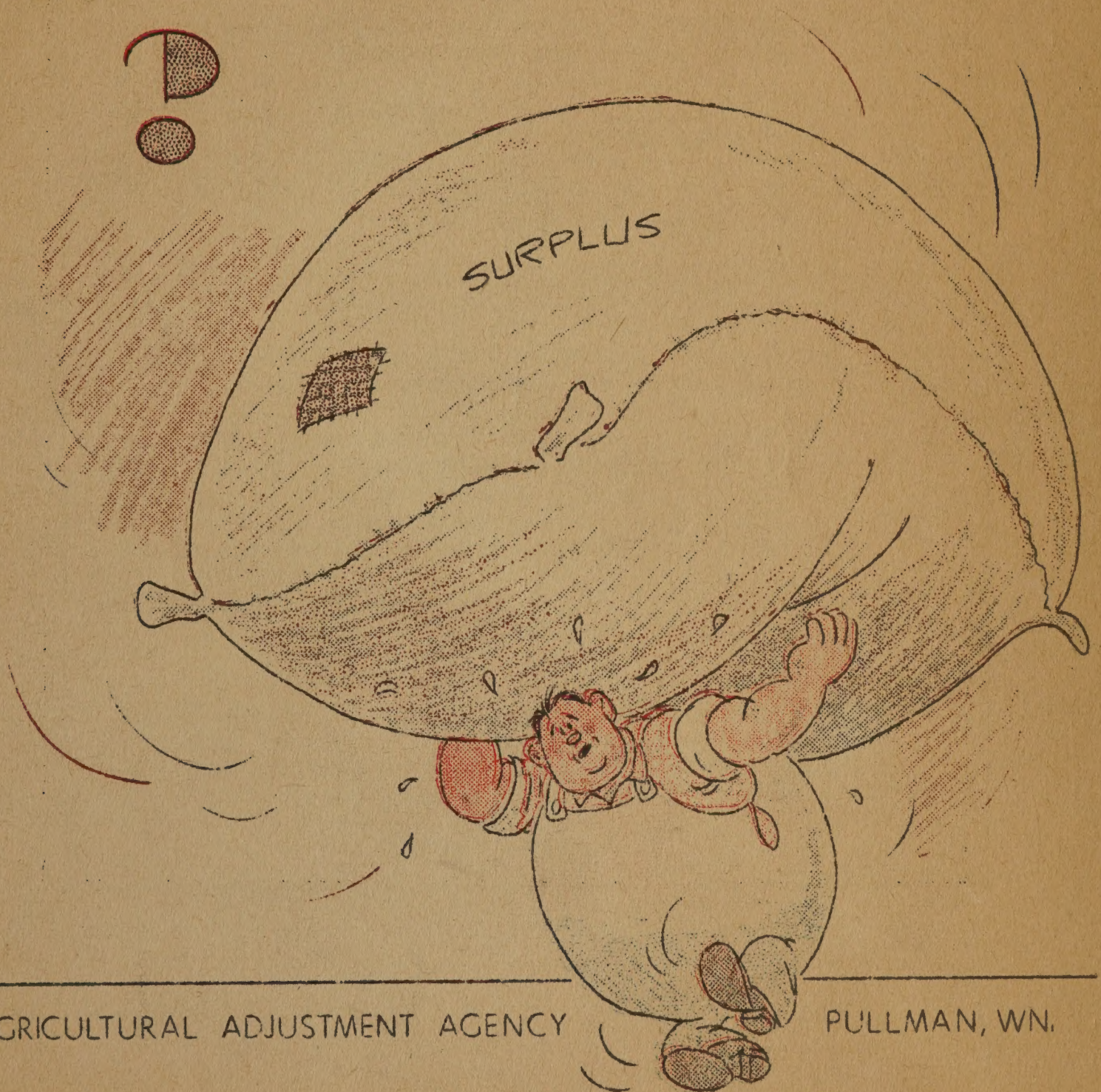
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WHY MARKETING

Reserve

QUOTAS

FOR WHEAT IN 1942



AGRICULTURAL ADJUSTMENT AGENCY

PULLMAN, WN.

MAY 14 1945

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"VOTE A QUOTA"

On May 2 Washington wheat growers will cast their ballots in a referendum to decide whether or not WHEAT MARKETING QUOTAS are to be adopted again this year as a means to control ever-mounting surpluses.

MARKETING QUOTAS were proclaimed last July 24 by Secretary of Agriculture Claude R. Wickard when it became evident that the 1942-43 supply of wheat would far exceed the level at which the proclamation is required under provisions of the Agricultural Adjustment Act.

Last year Washington wheat growers approved quotas by a margin of 93.6%. The issue then was one of protecting farmers against ruinous prices because of lost export markets.

TODAY the ramifications of the wheat problem are manifold and constitute a more serious threat to the farmer and the nation than ever before. The reason for this, of course, is the war.

Aspects which were comparatively minor last year have now taken on major importance. In 1941, for example, the problem of handling wheat was secondary. Today, orderly production, marketing and handling are of foremost significance because everything now depends upon the efficient use of our whole economy in the prosecution of the WAR!

We can no longer waste or misuse human labor, machinery, storage facilities, transportation and other necessities.

WHEAT GROWING, like everything else, must now be geared to our WAR PLAN! We've got to roll up our sleeves and put the punch where it counts. Winning the war will be a big job. Factories no longer have time for a peace-time output of automobiles, lawn mowers, coat hangers and hairpins. Neither do farmers have time to overproduce things which aren't immediately needed.

Our available labor supplies, our transportation systems, and our warehouses and elevators can't accommodate an uncontrolled 1,428,000 bushels of wheat this year. Obviously, the answer is

WHEAT MARKETING QUOTAS IN 1942.

"VOTE A QUOTA"



THE FIGURES!

One billion four hundred twenty-eight million bushels of wheat in sight! Enough to take care of all conceivable domestic needs; enough, in fact, to take care of expected demands for two years!

ESTIMATED CARRYOVER	635,000,000 bu.
<small>JULY 1, 1942</small>	

ESTIMATED WINTER WHEAT	631,000,000 bu.
<small>PRODUCTION</small>	

ESTIMATED SPRING WHEAT	162,000,000 bu.
<small>PRODUCTION</small>	

<u>TOTAL SUPPLY</u>	<small>JULY 1, 1942</small>	1,428,000,000 BU!
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Terms of the Agricultural Adjustment Act of 1938 provide that whenever the estimated supply exceeds the sum of our domestic consumption, normal exports and a reserve of 35 percent, quotas must be proclaimed by the Secretary.

Our domestic consumption of wheat is approximately 690 million bushels, and our annual exports for the 10-year period ending June 30, 1942, averaged 49 million bushels. A 35 percent reserve of 259 million bushels makes a total of 998 million bushels---the level at which marketing quotas must be proclaimed.

DOMESTIC CONSUMPTION	690,000,000 bu.
<small>(APPROXIMATE)</small>	

AVERAGE EXPORTS	49,000,000 bu.
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35 % RESERVE	259,000,000 bu.
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QUOTA LEVEL	998,000,000 BU
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On the basis of these estimates, the 1942-43 wheat supply will be 430 million bushels above the level at which quotas were proclaimed. This amount reflects only a portion of the real surplus, however, as will be noted, for in computing the quota-level supply, a 259-million-bushel reserve and a 10-year average export figure of 49 million bushels were taken into account. With no immediate market in view for the reserve and export markets all but vanished, these supplies, plus the 430 million bushels above the quota level, constitute an actual

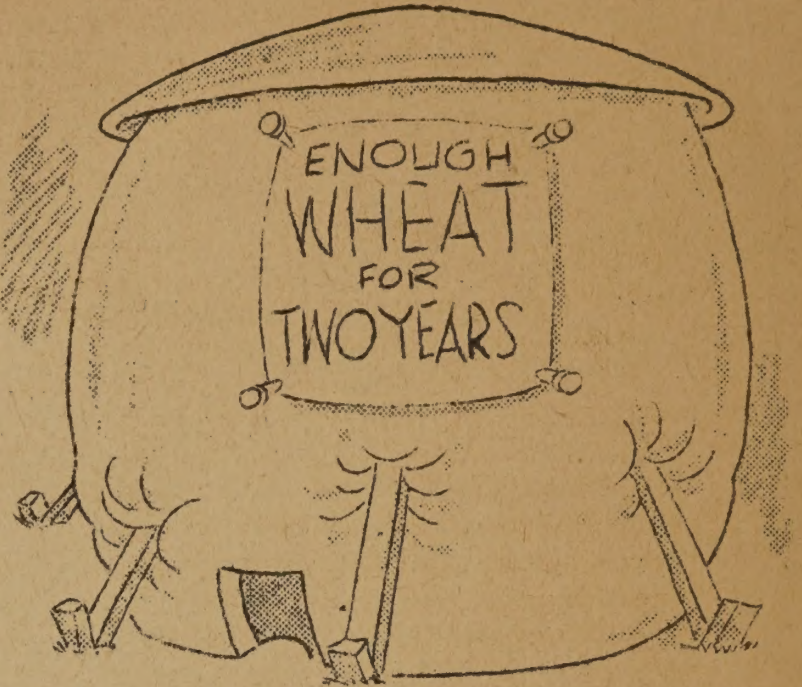
SURPLUS of 738,000,000 BU!

THE WHEAT SITUATION

Enough wheat for two years! That's the picture that confronts U. S. farmers as this marketing quota vote nears. We have over a year's full supply already crammed into every available cubic inch of storage space and still another crop -- probably a bumper one -- is on the way to the bins and elevators to be added to this surplus when harvest time rolls around again this summer.

Since farming throughout all areas of the nation was first opened up and we began to produce on something like our present national scale -- and that means away back in 1890 -- there never has been a single season in which we failed to harvest 500 million bushels of wheat or better. Most seasons our crop totals far above even that amount.

During the poorest crop year on recent records we were over the 500-million mark, falling below our actual domestic consumption by only a slim margin. Our Ever-Normal Granary stockpile of 600-million bushels would carry us through four such years in succession if we should ever see them again. And yet the surplus piles up! Forecasts for this '42 season indicate that our wheat crop will exceed domestic consumption by nearly 150 million more bushels which will have to be added to that 600-million reserve carryover. This will mean a carry-over of some 753 million bushels by the end of summer -- a surplus bigger than most annual U. S. harvests. Therein lies the great need for marketing quotas.



Export outlets of any quantity are not even in sight; so the possibility of whittling our reserve through foreign trade is extremely slim. Even with a sudden end to the war and a prompt restoration of normal shipping -- a happy but quite unforeseen eventuality -- our present reserves are big enough to fill all demands.

VITAL WHEAT STATISTICS!

	1940	1941	1942
	(million bushels)		
Carryover (July 1)	282	385	635
Production	815	946	793
Total supply	1,097	1,331	1,428
Domestic consumption	675	675	690
Exports	37	21	--
Total utilization	712	696	690
Carryover (July 1)	385	635	738

(Note -- all 1942 figures estimated)

WHEAT AND THE WAR!

We are waging a war — the greatest war the world has yet known! It means an all-out change in life for the duration. And agriculture, like industry, labor and all other phases of our national economy, must ruthlessly reorganize its work and production. There can be no "farming as usual" any more than there can be regular business. We've a war to win!



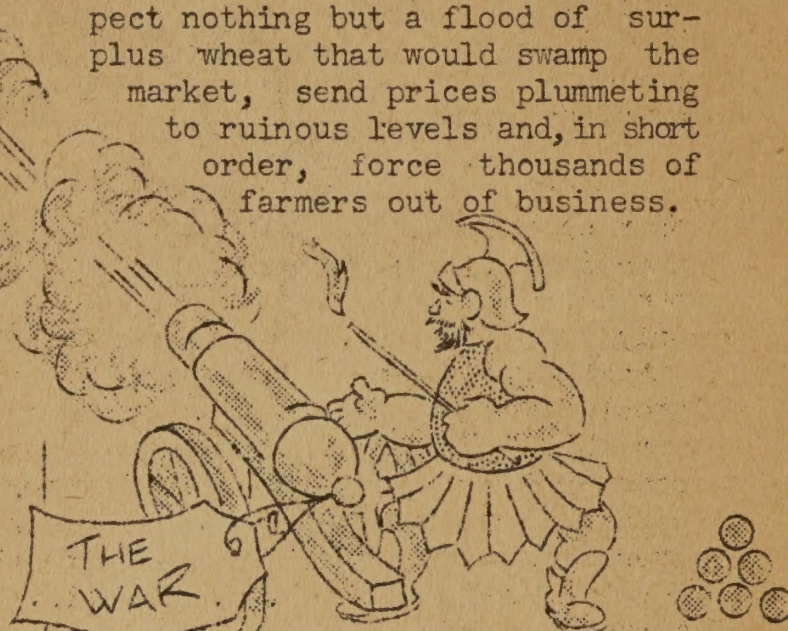
Wheat production is no exception. Grain growing must fit into our nation's war plan. This is definitely no time for expanded wheat production when other farm crops are far more necessary.

We can regard with a certain amount of pride the reserves of wheat now on hand in the U.S., but our task is only partly done. We must plan for the orderly handling of these supplies and see that our transportation lines, warehouses and terminal markets are not clogged with too great a surplus when all of these facilities are so badly needed for other commodities.

The war has made the wheat problem even more serious than it has been in the past. Aspects which were minor have now taken on the utmost importance. Last year the quota referendum dealt mainly with a clear-cut problem of maintaining prices; but now such things as labor, transportation and storage are important because of the war. We naturally want to hold present prices but, first of all, we must avoid waste.

Despite the war, though, the wheat industry must be kept in a healthy condition, keeping both soil and human resources in mind. Here, again, quotas play a part; assuring an equal division of what wheat income there is equally among established wheat producers.

Without quotas we could expect nothing but a flood of surplus wheat that would swamp the market, send prices plummeting to ruinous levels and, in short order, force thousands of farmers out of business.



Definitely, quotas will aid the wheat farmer to do his job properly during wartime and, at the same time, assist in making his maximum patriotic contribution. Briefly, here's why:

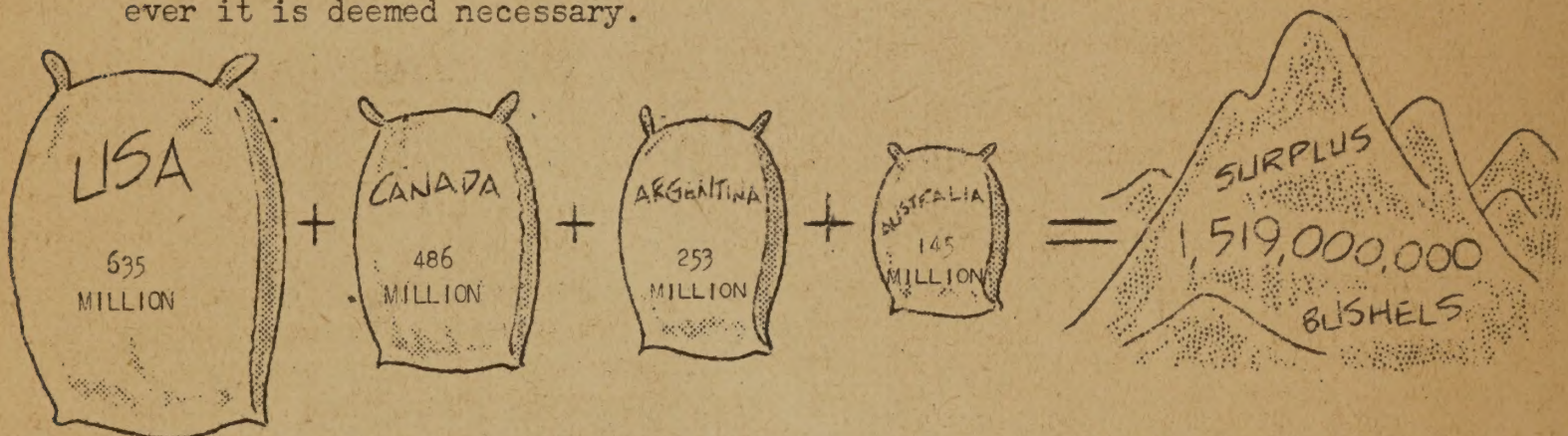
- 1 - Quotas provide for organization of supplies so transportation lines will not be clogged.
- 2 - They make possible more efficient use of storage facilities vital to our food program.
- 3 - They aid in directing land use from surplus crops into production of needed "War Foods".
- 4 - They help maintain soil resources for continued production of wheat in the post-war era.

"VOTE A QUOTA"

Supplies and prices of wheat in the other major wheat exporting Western Hemisphere countries of Argentina and Canada are as large as or even larger than our own. A similar situation prevails in Australia. Here, in brief outline, is the setup:

CANADA -- The Canadian government, through its Wheat Board, has for several years guaranteed wheat growers a minimum price. Last year a price of 51.9 cents (U. S. currency) was maintained. An acreage diversion program similar to our own is also in operation, with farmers to be permitted to deliver 280 million bushels of wheat to market this year. There will, however, be a surplus carryover of 486 million bushels on July 1, 1942.

ARGENTINA -- Argentina, like the U. S., has been seriously affected by loss of export outlets for wheat, and its present surplus is the second largest on record and is expected to reach 253 million bushels by July 1. Without the English export trade which partially aids the Canadian and Australian situation, Argentina is left with only her own domestic consumption to handle the gigantic carryover surplus. Production is controlled by the Argentine Grain Board, which pays farmers a fixed price equivalent to about 40 cents per bushel in our currency. The Board has complete monopoly of the entire wheat trade and also holds legal authority to demand a compulsory 10 percent cut in acreage from all growers whenever it is deemed necessary.



AUSTRALIA -- On Australia's 1941-42 wheat crop, harvested last December, the Australian Wheat Board guaranteed farmers a price equivalent to about 59.4 cents a bushel for bagged wheat, port of export f.o.b. Australia has achieved a marked degree of production control by making the guaranteed price available only on a predetermined amount of wheat -- a purchase contract at seeding time, in other words. Even so, the country's surplus at the end of the present season will probably be around 145 million bushels.

Now then, keeping those prices in mind -- 51.9 cents in Canada, 59.4 cents in Australia, and 40 cents in Argentina -- take a long, careful look at the United States wheat price. What do you see? A government-supported loan program establishing basic values for No. 2 Hard Winter at Kansas City at \$1.10; and at Chicago at \$1.15; No. 2 Red Winter at St. Louis and Chicago at \$1.15; and No. 1 Soft White at Portland at \$1.05 to create an on-the-farm loan price to farmers throughout the year in all sections of the country and on all grades of wheat of 98 cents per bushel. There we have a price situation -- guarded by loans and quotas -- which is something to be proud of and to maintain by every means at our disposal.

PRICES

A fair wheat price is necessary to agricultural economy if the farmer is to be able to assume his proper place in carrying on a successful prosecution of the war effort.

Wheat prices well above cost of production not only tend to keep our entire grain producing structure in a strong position from which it can easily move into increased production whenever needed, but it also keeps farmers adequately financed so that they can carry on additional production of the important "War Crops".

Domestic wheat prices have consistently followed loan prices during the past few years. And, as we all know, the loan program is based on the quota system for an orderly and business-like handling of the huge wheat surplus that must be so controlled to make loans a reasonable and safe investment of public funds. Average national prices received by farmers since 1938 are contrasted with loan rates as follows:

	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
Price received by farmers (cents)...	56.1	69.2	68.2	95.6*
Average loan rate (cents).....	53	63	65.5	98*

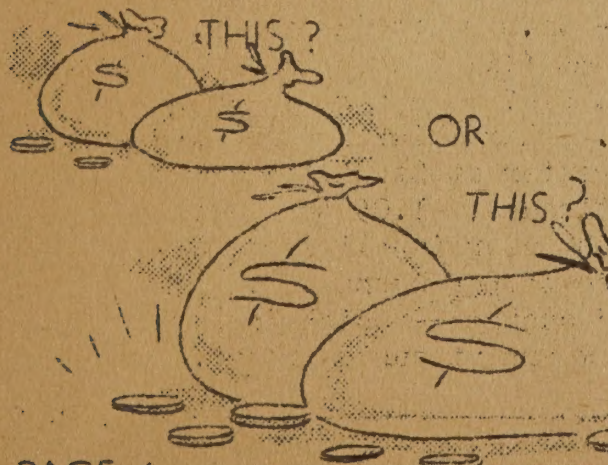
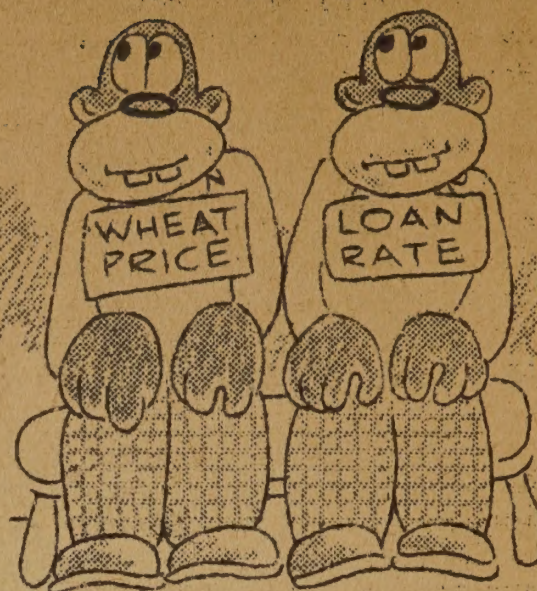
(* - Preliminary Estimate)

Supplies exert a strong influence on price determination. Prior to the wheat program, huge supplies always meant low prices. Through quotas, loans and allotments, however, farmers have been able to build adequate reserves for the nation and at the same time to greatly strengthen prices for the continuation of a sound agriculture. Quotas play the dominant part in the fair wheat prices farmers are now enjoying, for it is the sound basis upon which quotas place the entire wheat situation which makes possible our loan program.

Here in our own State of Washington wheat farmers last year received an average per bushel price of approximately 87 cents compared to 55 cents the year before. This was due to the use of marketing quotas for the first time. With the entire economic price structure continually strengthening at the present time we can expect even higher parity and loan figures again this next summer and fall if quotas are adopted to make the loan program possible.

Interested farm leaders of the State estimate that failure of the marketing quota plan in the national referendum on May 2 would mean an actual dollars-and-cents loss to Northwest farmers alone of nearly \$65,000,000 during the coming marketing season.

WE IS TWINS /



"VOTE A QUOTA"

STORAGE

Let's see what the situation is in regard to the present storage of all grains, and of wheat in particular. One of the chief concerns of grain men this coming harvest season is the matter of "where to put it," and a brief glance at some of the facts on this page will show you why their worries are justified. The storage picture is tight and marketing quotas are a real need to aid in providing some means of control over the ever-mounting surplus.

Returns from all states in a 1942 nationwide grain storage and stocks survey was completed by the U. S. Department of Agriculture only last week. The figures, as of February 16, show the total rated storage capacity of the nation to be 1,602,258,000 bushels. Figures for the Northwest states of Washington, Oregon, and Idaho form an interesting comparison. They are:

	<u>Rated Storage Capacity</u>			<u>New</u>	<u>Total</u>	<u>Un-</u>
	<u>Bulk</u>	<u>Sacked</u>	<u>Crib</u>	<u>Storage</u>	<u>Stocks</u>	<u>occupied</u>
				<u>Being Built</u>	<u>in Store</u>	<u>Space</u>
Washington	40,194	33,070	1	2,761	44,367	25,529
Oregon	15,181	19,029	2	2,516	20,425	11,054
Idaho	17,194	13,070	11	234	15,114	15,156
Totals	72,569	65,169	14	5,511	79,906	51,739

(Note--All figures are in thousands of bushels)

--Farm storage not included)

From the national figures shown below you will note that the planned construction of new space for this season totals only 34,838,000 bushels, a much smaller addition to storage capacity than the 71,224,000 bushels reported in '41. Stocks of all grains (excluding ear corn) beans and flaxseed in storage totaled 955,343,000 bushels as of February 16, which was 28 percent more than on March 1 last year when stocks totaled 748,474,000. When you keep in mind the fact that 65 percent of the stored grain shown below is wheat, you get some idea of what storage men throughout the country are up against in attempting to plan for handling of the 1942 crop.

U. S. STORAGE -- ALL GRAINS (Farm Storage not Included)

	<u>Feb. 16 - 1942</u>	<u>March 1 - 1941</u>
Total Rated Storage Capacity..	1,602,258,000	1,534,568,000
Bulk	1,272,078,000	1,196,840,000
Sacked	315,313,000	322,868,000
Crib	14,867,000	14,860,000
New Construction	34,838,000	71,224,000
Stocks of All Grains	955,343,000	748,474,000

"VOTE A QUOTA"

LEGISLATION

to prevent the sales of government-held stocks of wheat at prices below parity would have little effect in supporting prices if growers fail to approve marketing quotas in the May 2 referendum.

This is revealed clearly by a study of figures on the current supply situation.

According to the latest reports, the amount of wheat available for export and carryover for the year beginning July 1, 1942, is approximately 740 million bushels. Of this, only 481 million bushels are held by the Commodity Credit Corporation. If every bushel of this were held off the market, there would still be a surplus of

259,000,000 BUSHELS !

There is little question but what such a supply would be a serious depressing factor on the market if commodity loans were lost through a failure to approve the MARKETING QUOTA system. The 1931-1940 average carryover of old wheat in the United States was only 230 million bushels. During this time the average price received by farmers was 68 cents per bushel and this partially due to government loans being in force in 1938, 1939, and 1940. It is difficult to see how the 1942-43 price could be above this figure without the floor provided by the loan program.

HERE ARE THE FIGURES !

SUPPLIES OF WHEAT AVAILABLE FOR DOMESTIC USE

	Million bushels
Estimated supply as of July 1, 1942	1428
<u>Less:</u> Domestic consumption (1931-1940 average)	<u>688</u>
Amount available for exports and surplus	740
Wheat under loan and held by CCC (Feb. 14, 1942)	
1941 wheat under loan	343
1940 " " "	5
1939 and 1940 pooled wheat	<u>133</u>
Wheat available for export and surplus <u>in addition</u>	
to the stocks under loan and held by CCC	259
10-year average carryover old wheat (1931-1940)	230
Average farm price (1931-1940)	68¢
Average farm loan rate - 1941	98¢

1931-1940 - carryover old wheat in United States averaged 230 m.bu.
- domestic consumption averaged 688 m. bu.

U.S. average farm loan rates	Average United States wheat loan values at terminals
	<u>1941</u> <u>1940</u>
1938 53¢	Kansas City #2 H. Wtr. 1.10 .77
1939 64¢	Chicago 1.15 .81
1940 65½¢	St. Louis #2 Red Wtr. 1.15 .81
1941 98¢	Minneapolis #1 D. N. Sp. 1.15 .87
	Portland #2 S. White 1.05 .73

DISPOSALS

To relieve congested terminals and warehouses and to provide feed for stepping up dairy, livestock, and poultry production, Government-owned wheat is being sold at prices comparable to those for corn.

Under the feed wheat sales plan, farmers are able to purchase wheat at the 1941 loan value at point of delivery, but no sales are made for less than 90 cents where wheat must be shipped. Since February the price has been increased 1 cent per month for storage charges.

Commodity Credit Corporation is also making wheat available to processors of ethyl alcohol, acetone, and butyl alcohol. Wheat can be substituted for corn with only minor adjustments in the processes used, and a slightly higher yield of alcohol may be obtained from the wheat.

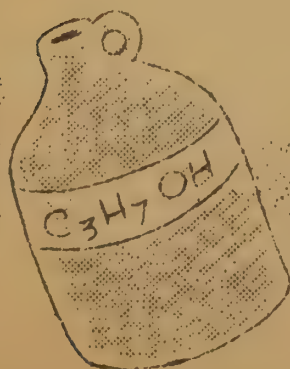
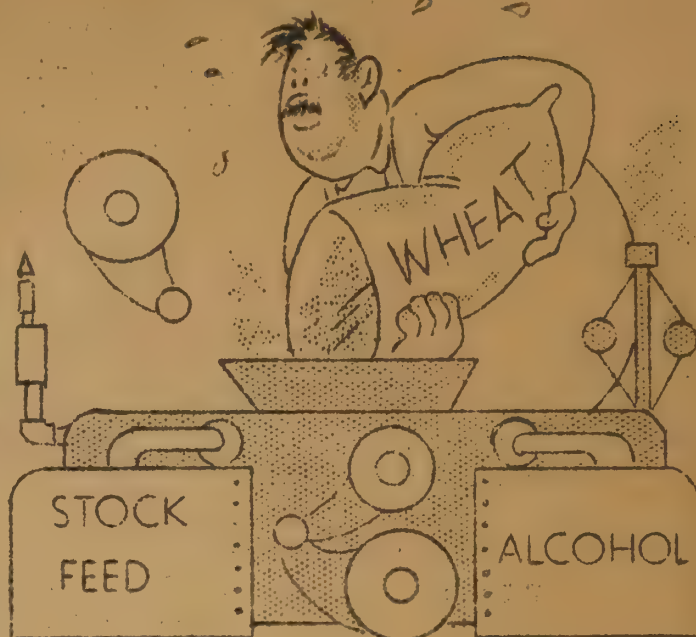
It has been suggested that the manufacture of industrial alcohol might prove a means of eliminating our wheat surplus. It is true that the demand for this type of alcohol has greatly increased as a result of the war, but even if all the industrial alcohol produced at the present time were being made from wheat, not more than 125,000,000 bushels, or about one-fifth of the surplus, would be needed.

A bushel of wheat is enough for approximately $2\frac{1}{2}$ gallons of alcohol. However, since much of our alcohol is made from blackstrap molasses, a sugar by-product which we will have as long as we refine sugar, and some is being made from corn, high wines, and synthetics, it is unlikely that we will ever make all our alcohol from grain.

In any case, the manufacture of alcohol would not appreciably reduce the surplus.

Experiments are being conducted to find other uses for wheat, and while many of them hold promise of great things to come, farmers cannot at present look to any method of wheat disposal other than the existing channels.

Nearly 80 percent of the wheat produced in the United States enters channels of trade. Of the remaining 20 percent, less than 13 percent is fed by producers; the remaining amount is used for seed and ground into flour for home use.



"VOTE A QUOTA"

QUOTA REGULATIONS

On earlier pages of this booklet you have read and studied the facts essential to a complete understanding of the quota system. Here, on this page, are given the official marketing quota regulations under which wheat growers will operate if they approve the quota plan in the May 2 referendum.

The 1942 farm marketing quota for any farm shall be the amount of wheat produced less the smaller of (1) the normal production of the excess acreage or (2) the amount by which the actual production exceeds the normal production of the acreage allotment.

Therefore, whenever the producer can offer proof that the actual production on the farm was less than the normal production of the acreage allotment, he is entitled to a downward adjustment in the farm marketing excess.

Just as last year, marketing quotas will apply to all producers who have planted 15 acres of wheat or more, or whose normal production of the planted acreage is 200 bushels or more.

The penalty for excess wheat will be 50 percent of the basic loan rate offered to coöperators.

Wheat equaling the amount of the farm marketing excess may be stored under bond in order to avoid or postpone payment of the penalty, or if producer desires the wheat may be delivered to the Secretary of Agriculture in lieu of penalty and such wheat shall be diverted from the normal channels of trade and commerce.

Wheat stored to postpone penalty payments may be released free of penalty if (1) in the subsequent marketing year the acreage allotment is underseeded, in which case the amount released would be the product of the normal production times the underseeded acreage, or (2) if the actual production is less than the normal production of the farm wheat acreage allotment, in which case the amount released would be equal to the amount which the actual production fell below the normal production of the allotment.

"VOTE A QUOTA"

QUOTA QUIZ

QUESTIONS & ANSWERS

1. Q: Will wheat growers vote on marketing quotas in 1942?

A: Yes. Wheat marketing quotas were proclaimed by the Secretary of Agriculture on June 24, 1941, when it became evident that quotas would be necessary in 1942. On February 4, 1942, the Secretary announced that a referendum for eligible voters will be held on May 2, 1942.

2. Q: Why is it necessary to restrict the production and marketing of wheat when farmers are being asked to increase production of foods to "win the war and write the peace?"

A: The United States has a great surplus of wheat for which no adequate markets exist. Our present need is for increased production of other food products needed by our allies and ourselves to win the war.

3. Q: What are these other crops?

A: Pork, beef and meats of all kinds, dairy products and vegetables. Our production must be adjusted so as to conserve our soil and man-power resources, as well as farm equipment and machinery, in order to protect our nation and our standard of living while fighting for the principles of democracy.

4. Q: What is the present wheat picture compared to a year ago?

A: It is estimated that the national carryover on July 1, 1942, will be 635 million bushels, compared to 385 million bushels on the same date last year, and 282 million bushels in 1940. This, together with our 1942 crop, will be enough wheat to meet all our demands and assure us an ample reserve to carry in our ever-normal granary.

5. Q: How about other wheat-producing countries?

A: Canada is whittling her reserves slightly and shipping some wheat to England, but expects a July 1 carryover of 490 million bushels and will no doubt have large surpluses for several more years. Argentina is in much the same position, with supplies greatly exceeding markets. For the Western hemisphere as a whole, there will be over a billion bushels available for export, with little prospect for an outside market that can be reached.

6. Q: With the future so uncertain and the world picture changing from day to day, isn't it a good thing to have a large wheat surplus?

A: The heart of the whole ever-normal granary plan is to carry large surpluses to meet possible emergencies. Marketing quotas will not destroy this surplus; quotas provide a way to keep this wheat in the bin until it is needed without demoralizing prices to the producers.

7. Q: Who may vote in the referendum?

A: All farmers who are subject to the quota are eligible to vote; that is, any farmer who has an interest in the wheat crop on a farm for which a quota will be determined. And don't forget—the wife also has a vote.

VOTE A QUOTA

8. Q: What farms are subject to quota?

A: All farms raising wheat, except those having 15 or less acres, or those normally producing less than 200 bushels.

9. Q: How will excess wheat be determined in 1942?

A: The farmer will be able to market an amount of wheat equal to the normal or actual production on his wheat acreage allotment, whichever is higher. All other wheat produced will be considered excess wheat.

10. Q: Will the penalty for marketing excess wheat be the same as it was in 1941?

A: The penalty is fixed at one-half of the basic national loan rate. Loan rates for 1942 have not been announced, but will be established at 85 percent of parity. Since parity has risen from last year, the basic loan rate will be higher and therefore the penalty will be proportionately higher this year than it was in 1941.

11. Q: Where will the marketing quota referendum be held?

A: Polling places will be set up in county and community centers where wheat is grown. Watch for local announcements or ask your local AAA committeeman.

12. Q: How can absentee landlords and operators who will not be at home on May 2 cast their ballots?

A: Ballots may be obtained at any county AAA office in the United States. Eligible growers who will not be home on May 2 may deposit sealed ballots in their county AAA offices any time during the week preceding the referendum, or ballots may be mailed to the county office of the county in which the producer is eligible to cast a ballot. This ballot must reach the county office where it is to be counted not later than the time of the closing of the polls on May 2.

13. Q: How is voting eligibility determined?

A: Each county AAA committee will prepare a list of eligible voters based on available data. Any farmer who is not listed, but who believes he is eligible to vote, may cast a sealed ballot which will be counted if eligibility is determined.

14. Q: Are both tenants and landlords eligible to vote?

A: All persons who have an interest in a wheat crop may vote. In other words, any tenant, owner-operator or landlord producing wheat subject to quota may vote. In the case of a partnership or corporation, one representative of the partnership or corporation may vote. When a husband and wife hold an interest in the wheat crop as community property, each is entitled to one vote.

15. Q: Is a person having more than one farm eligible to vote more than once?

A: No wheat farmer (whether an individual, partnership, corporation, association, or other legal entity) is entitled to more than one vote in the referendum, even though he may be engaged in the production of wheat for harvest in 1942 on two or more farms, or in two or more communities, counties, or States.

16. Q: May wheat growers vote by proxy or agent?

A: No. Each eligible voter must personally mark and cast his own ballot, either in person at the polling place where he is an eligible voter, or by absentee ballot, as provided.

17. Q: Will stored excess wheat be eligible for a loan?

A: Excess wheat is eligible for a loan at 60 percent of the regular loan rate. This loan can be secured only on the amount of wheat produced in excess of the farm marketing quota.

18. Q: What are the restrictions on the marketing of old wheat?

A: Any carry-over wheat can be marketed in 1942 except the wheat that was excess in 1941 and for which the penalty has not been satisfied. However, 1941 excess wheat may be released from penalty in cases where the grower has underplanted his allotment or has a below-normal crop in 1942.

19. Q: How will compliance be checked on multiple farms?

A: The definition of farm will be the same as for the parity and ACP programs. A farmer who has underplanted on one farm cannot sell wheat in excess of the farm marketing quota on a farm which has been overplanted.

20. Q: How will farm marketing quotas be determined for non-wheat allotment farms?

A: The same as for allotment farms. That is, the normal or actual production of the wheat acreage allotment for the farm, whichever is greater.

21. Q: How soon can wheat be sold after harvest?

A: Wheat can be sold as soon as the producer obtains his marketing card. On farms seeded within the acreage allotment, cards may be obtained as soon as the county committee has determined the farm is in compliance, in most cases before harvest. Farms having excess wheat may obtain cards as soon as the excess has been taken care of by storing, delivering or payment of penalty.

22. Q: What year's normal yield will be used in establishing farm marketing quotas?

A: The normal yield established for the farm under the 1942 program.

23. Q: Why can't farmers use excess wheat for feed or seed without paying the penalty?

A: About 175 million bushels are used annually in the United States for feed and seed. This consumption is taken into consideration in setting up acreage allotments. If excess wheat could be used for this purpose without penalty, allotments would have to be reduced correspondingly.

24. Q: What will happen if the wheat farmers vote against marketing quotas this year?

A: The law provides that if marketing quotas are rejected by more than one-third of the farmers voting in the referendum no wheat loans can be made on the 1942 wheat crop.

25. Q: How would this react on prices for the 1942 crop?

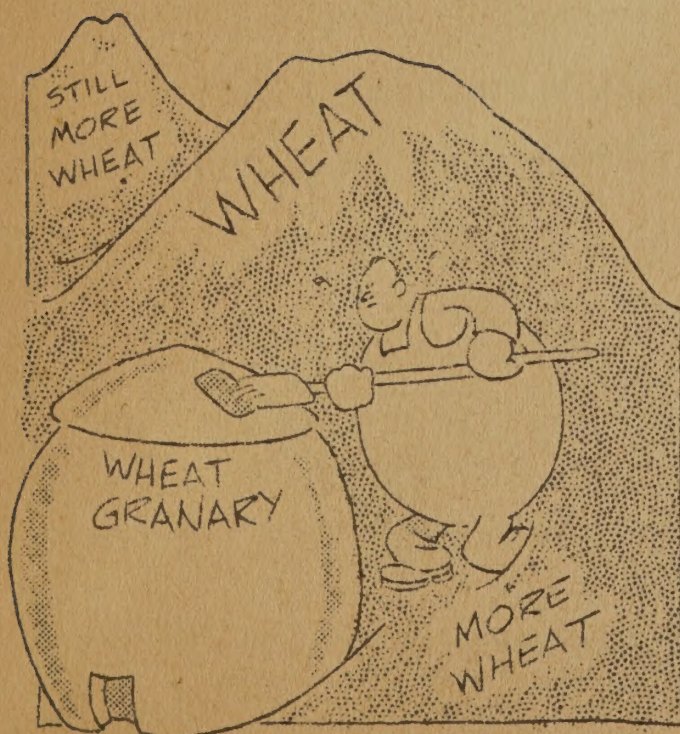
A: Ever since the wheat loan program was begun, market prices have consistently followed loan values. Without the support of loans, wheat prices would undoubtedly drop sharply. In 1932, when our surplus of wheat was much less than it is at present and no loans were available, the average price received by farmers was 38.2¢ a bushel.

26. Q: What is the price of wheat in Canada? Argentina? Australia?

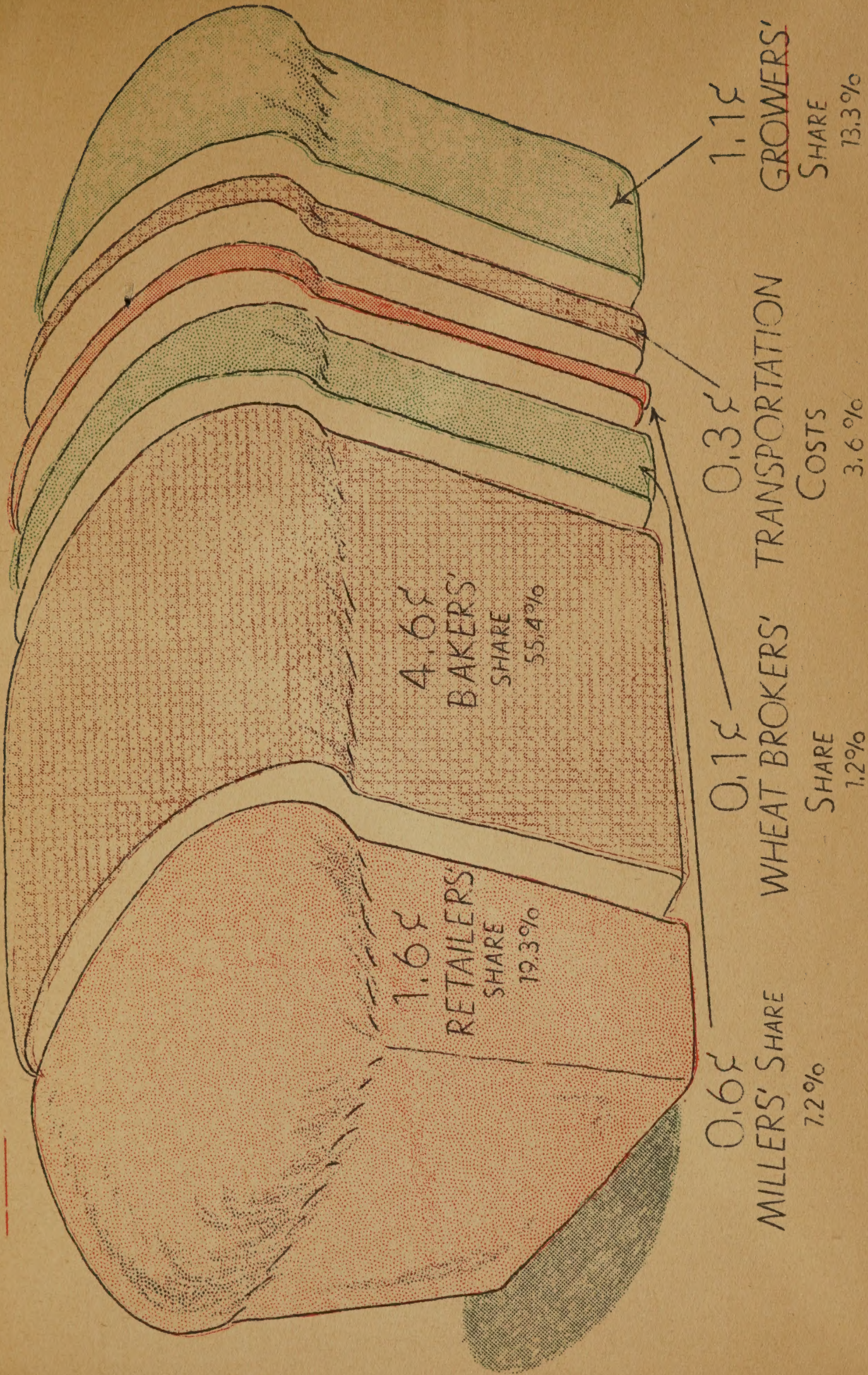
A: The wheat prices in these countries on January 16, 1942, were: Canada, 57.3¢ per bushel; Argentina, 44.1¢ per bushel; Australia, 59.4¢ per bushel.

27. Q: Could the production of industrial alcohol from wheat eliminate our surplus?

A: Even if all the industrial alcohol produced in this country at the present time were being made from wheat, not more than 125 million bushels, or about one-fifth of the surplus, would be needed. A bushel of wheat is enough for approximately 2½ gallons of alcohol. Because much of our alcohol is made from blackstrap molasses, a sugar by-product which we will have as long as we refine sugar, and some is being made from high wines and synthetics, it is unlikely that we will ever make all our alcohol from grain.



A PENNY FOR THE WHEAT!



Pound Loaf White Bread Weighted average retail price - 8.3¢
 Season's average price for wheat - 96.3¢ per bushel.

